

FINANCIALTIMES
No. 30:592

Monday July 181988


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## Jackson position casts cloud over convention

## Brazil to pay off interest arrears



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\begin{abstract}



asleep at work is good or you'

Japanese bank launches attack on American corporate culture

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| INSIDE: |
| :---: |
| Cost of Reagan's <br> revolution |
| Page 10 |






## OVERSEAS NEWS

By David Marsh in Bonn and Christopher Bobinakl in Warsaw
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laid out at a maeting in the


Fiat sales overtake


Bonn welcomes Warsaw Pact appeal for early talks on conventional arms
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The Sovint



Argentine mission in US to discuss new financing By Ou Fremede sent



## Rulers seek tax break for white－collar Japan

Ian Rodger reports on a fiscal reform initiative to harmonise with demographic changes

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| ture．if the reform fails，the | Mr Dan Harada，political ama | pillars of the Govermment＇s |  |  |  |
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## Setback for New Caledonia peace plan    <br> 4 <br> ${ }^{2}$  yen  Nomin dity 

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| INFOLEASING |

BARING BROTHERS \＆CO，LIMITED

## Pakistan 'still arming rebels in Afghanistan'



## Hong Kong moves to control money supply      Hind   

Spanish jump gun on Israeli tariffs By Our Jerusalem
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Crusading for black respectability
Joe Rogaly gets the message from a Baptist church in Atlanta






## Tunisia's tourism sector turns up trumps

Francis Ghiles, recently in Tunisia, reviews the results of shifts in attitudes and policy


## OVERSEAS NEWS

## French group relies on innovation to move into other markets

George Graham reports on a bank which has explored many sectors long ignored by its traditional competitors



## SHIPPING REPORT

## Shot in arm for tanker trade



French anger at
terrorism claim



If you think we're just a railroad, take another look
We've become the world's first Global Transporter And we've picked up alot of new pieces along the way: our barge line, our gas
pipeline, our container ships, and more They do more than just open up new areas for our company, they also make our railroad bigger, more efficient, and more profitable. After all, what other railroad can
you name that has ports around the world?
Someday there will be other Global Transporters. Today there is only CSX. This is a company

## SOUTH AFRICA AND THE ANC

## Mandela marks 70th birthday still behind bars

By Victor Mallet in Lusaka


## Shadowy spectre at South Africa's troubled feast

Anthony Robinson in Johannesburg looks at the challenge presented by the ANC to white supremacy


HEAT PUMPS CAN MAKE $£ 1$ OF ENERGY GO OVER TWICE AS FAR.


A heat pump is an enticing business proposition.

In heating your premises it produces up to $21 / 2$ times the energy it uses.

So every pound you spend on heating. can go over twice as far.
"Impossible," you say?
Not ot all.
Easily located - often on your building's roof - the heat pump can take valuable warmth from the outside air or any suitable waste heat source such as manufacturing processes.

The heat pump then boosts the temperature of this heat, and circulates it where you need it

But that's only half the attraction.
When it gets hot in your office - or in your shop, disco, leisure centre, restaurant, pub - a heot pump switches into reverse. To take awory oppressive heat and deliver cool, dehumidified cir

Some systems can even re-use this extracted heat, for example, to provide hot water

So, if you're looking for a heating system that can also cool you, look no

Or telephone Berna
Or telephone Bernard Hough on Freefone 2282. After all, it's a chance to make your money go further


## UK NEWS

## Still buoyant retail sales add to inflation fears

By Palph Aikins:


## Aviation authorities under fire over holiday flight delays











## Rover workers fear BAe capacity plans 

Seamen's union faces split over P\&O strike
By Jimmy Aumat Labour staff






## 31 montenison



## 1987 ANNUAL REPORT

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Company Notices


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## Contracts \& Tenders


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Closure plan for more nuclear stations denied

## By David Fishlock，Science Edito



UK NEWS
CBI／FT DISTRIBUTIVE TRADES SURVEX

## Retailers＇sales beat expectations

By Relpt A＊sine


Welsh growth＇will continue＇ By Anthony Moreton，Welsh Corn

ments are promised later in the C6I can always count on Extel Financial for accurate and reliable company informationss

## Cleaning group to sponsor marathon

## the British Heart Foundation do for you？

Working with a well known charity like the BHF does more than improve your image．As recent on－pack promotions by fora and HiLo crackers have shown，it can
have adramaticeffecton sales too．

But that＇s only one way of developing a promotional partner－ ship with us．You could sponsor ads， adopt us as your staff charity．Or，as thecoping fund－ralsing event．
We urgently need help of this sort if we＇re to continue to fund
much needed heart research And heip defeat the country＇s biggest Thats of premature rofessionally staffed department o work with you in developing a promotional programme that is of mutual benefit．To find out more about thisscheme，call our National appeais manager Aciele Hodgson

Because if you look after our heart，it could start looking after you．

| THE DETERIORATION in Britain＇s trade position does not herald higher inflytion and net herall higrer is it a cause for alanm James CapeI，the stocitroker． sars in its latest amalysts of the Conontrary to what Capel describes as＂conventional wis not resporssble for the large growth in tmports over the past years．A large mudiority of the growth in mports has gone to the UK corporate sector：to Improve productive capactity， Hore than $T 5$ per cent of the tise in mport volucuess appears goods that are needed to facili－ | tate ourtpot basic materinals fuels．semb－manufactured internnediate mol captsal goods． longer ran but ulso for the lirst IVve mponthas of 1988，when com－ sumer soods ondy acctuoused cor 21 per cent of the rise in imports，compared with the 64 per cent unt to mitermemaster capods：and serits this yearts cros． Capel expects this year＇s cras－ payments to record a deficitit of flobm，cormpared with El．56on scry Budget forectast of salm In 1989 the current account deef The composition of UK | irports，howaver，melate the toture The rise in inportsio machmery wo not onif Brifin＇s capitn theck on would also appoax to it quath well WIth the constant over the course of the reopo ery．it says <br> that the detarioration in the corrent account reacetr sapptry ndide response，white the capizal stock and expand cappritise it a monadifustation of mintationary preesiurer， | cavent ta thas hator point to Govecturent perader mith ht noa－mecomamomitory mimed on <br>  jempata retheng hato next your $\frac{m}{6}$ per cont enty next mear mod a curront account deftect wet to wheed EPBtar the Item Cluh，an ncomombe fracecatter，skys． Irema，whach nges the Trose oxpects trititenest rates tempo ratily to tipe by betwean a $\%$ polnt to 1 yount． <br> It．predicts $3 /$ per cent grow yia year．siliwing to 2.6 par cont peaxt year：－ |
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Independent opticians losing trade By Maggte Urry

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## UK NEWS

Ministers poised to push ahead with Short sale


## DIY superstore sales rise

## by Meoobe Uny <br>   

## Generation of change in a fragmented sector

Nick Garnett looks at the uncertain future for power station equipment suppliers

Lazard lined up for rail sale

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## A cautionary tale for Britain

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AT ST JAMES COURT HOTEL, IT WILL TAKE THE WEIGHT OFF YOUR FEET WITHOUT WEIGHING HEAVILY ON YOUR BLLL.


## ARCHITECTURE

## Country life captured on canvas

Colin Amery visits an exhibition at Colnaghi


Ramolaso Mrakhene, Arthur Moleppo, Slphiwe Khuimalo and Patrick Shai


| ARTS GUIDE |  |  |
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CHELTENHAM FESTIVAL
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July 15-21

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SALEROOM
Medals for meddling






FINANCIALTIMES
bracken house, cannon street, london ech paby Telegrams: Finantimo, London PS4. Telex: 8854871 Telephone: 01-248 8000

## A sombre anniversary



## The selling of life assurance

$\begin{array}{ll}\text { DISCLOSURE of commissions } & \text { of commissions and other costs } \\ \text { amounts to something }\end{array}$
 Securities and Investments
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Stewart Fleming on the tensions at the Democratic party convention


Solution in Brussels alt is not true that air traffic
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## The strains behind the Dukakis smile

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THEMAGICAL WORLD OF POLYMERS

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John Lloyd continues his series on the emergence of Britain's new élite, the Disestablishment
Preaching in the market place
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coming ap - the likely cod. You see it in the City and everywhere:















## LETTERS

Breaking the deadlock in the Gulf war


Constructive copyright reform






Demise of the Haitian Creole pig












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 EXTRAORDINARYRESOLUTION


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## Meeting of Warrant Holders

## THORN EMI plc

Notice of a Meeting of the Holders of the Warrants issued with the $£ 60,000,00073 / 8 \%$ Bonds due 1992

FINANCIALTIMES
Monday July 181988

## Abbess

Janet Bash on Wall Street Closed-end funds boost Wheat,First wixat init semine









 jetstream came formidahle
names snch as
and
 underwiter in initial pphilic
offerings.
of $\$ 2.50$.
 Wheat, First's involvement
witht "closed-end" mntual
funds. According to the company's
figures, it underwrote three
issues of common stock tor the issues of common stock for the
formation of cloosed end fund
in the first hafl of this y yarr,
totaling a staggering $33.05 n$.
 closed-end funds pool inves-
tors money to buy secmitites
Tres
Tifference with closedid ms is that there is a fixed
mount of shares They are
med by a stock offering of a certain nomber of shares, the
money is then turned over to
an investment mana an investment manager.
Shares of moost closed-end
funds are traded on the New York Stock Exchange
Mr Mark
Hice-prestident of the the capuive vice.president of the capital
formation and Markets div!
sion of Wheat, First, says his firm has heen heavily smyolved Apart fonms their high hiquid-
ity and degree of diversifica
 rate bonds and foreien govern-
ment issnes - Mr ambil
believes this investment format encourages the money
manager to remain fnlly iavested because he or she
ivested not have to worry about
divestors redeeming their holdThere has always been a
problem of aceeptability with
closedend fundis closedend funds, which had
been tainted with a reputaion
of trading bineath their net heen true of some of the funds which offer an investor
epposare to the thock market
of a ingle conntry Sometimes
that countrys stock market has been limited in size, ililig.
uid or bound round with med diesome restrictions. funds are
closed-end bond bid
by no means new but they did by no means new but they did
go through a slack period of
years until abont two years
ago
 have generally traded at a pre
mium to their nat assenv value
and there and therefore helped hury
some of the old prejdices.
Wheat, Firsts
largest involvement has heen with
Mrs Massachusetts Finan
cial Services - And Manaegrices - and Putna
Boston. Later this week, Wheat, First
pansto offer a new closedend
pathal manage by MrS. No details
ane yet known of the size of the
new Wheat, Firsts make- int ventare 1986 when it underwrote a
$\$ 850 \mathrm{~m}$
made closedend mutual fund
made income Trust MS Municipal
The Multimarket Income Trust, Mr Gambill notes, pro
vider agod exan moter
merits of diversification the foreig bond markets. The tim-
ning of this isse allowed inves-
tors to take advantage of rising overseas government bond
markets and avoid some of the mvested exclusively in the fals ivested exclusively in the fall.
ing
Fos
Treassury bond
mond market. For Putnam, Wheat, First
underwnote an equity offering
in December last year and completed another year and
ing last month
mont
 Wheat, First is probably the
top underwiter of equity
issues for closede soes nor closedend fands hut
does not set mnch store by
rankings. He acknowledges ranking. hee acknowerges
that her hnee underwitigg
amounts involved with setiong
up closedend mutual funds are mnch lager than the totals
involved with traditional
equity lisues involved
equity 1 iscues

## Cloudy skies for holidaymakers

Michae Domene, explains the causes of Europes sair travel delays


## Moscow in dilemma over Armenia revolt

THE SOVET leadership faces inflamed that nothing short of
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howonisien to coilemma to an open nay on martial law will sop the demhow to cool an open nationalist onstrations - regularly num-
revort in the southern


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activity in the region formic the tually paralysed economic
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past two tekeks.
However in neighouring
Naborno-Karabakh, the Arme-
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bainan which is demanding the
Hitherto
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strike shows no sign of abat.
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ruing party appers to have
lost any real control over the
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 their dispute
The danger is that national- insists an on strict application of
ist sentiment is now so impose martial law. have to
in WORLD WEATHER


## Athens keeps block

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The Gireek Government
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complex border taxes and sub
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effect of short-teem


## German rates set to rise








# Measuring up the world by sector 



## Texaco International Financial

 Corporationhas sold its interest in
Deutsche Texaco AG

## Rheinisch-Westfalisches <br> Eleltrizitătswerk AG



Dillon, Read \& Co. Inc.

## Equity-linked issues emerge as ideal hybrids



EUROCREDITS

## Financing for British takeovers adds a little zest



| This cinowicement appears as a matter of recond only <br> BANCA NAZIONALE DEL LAVORO <br> Sezione Autonoma di Credito Fondiario <br> BANCO DI NAPOLI <br> Sezione di Credito Agrario |
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 groupps treasurer, would only don interbank offeree ratessay that the timing of the
Front end fees ranged down


## Merger of German

 banks moves closer after fresh talks Meanwhile, WestiB's board.
is recombenting the merger
its shareholdiders as ment


Goodman finds support
for RHM takeover bid for RHM tak

 These Notes having been soldd, his annourncemancu pppeans as as matur of recerd only.
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French Government set to oust UAP chief


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24th June, 1988

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## Clayform loses fight for Stead \& Simpson

By Martin Dlckson



## Sheerwood expands

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## Increased dividend promised by CAS





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Setting sails on luxury market
David Waller looks at the contested bid for Falmouth Hotel


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## Psychology





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CHEMICALS, PLASTICS

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## DRAPERY AND STORES






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HOTELS AND CATERERS


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 Exd






Berkley bridge project


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span bridge puit by Tidewater
in 1950) and the construction on a complex interchangruct east of of
the bridges in the City of Nor-
folk.

##  with a 150 fo centre span and 50 fthe of ritticas clearance when the bridee is closed. <br>  

##  <br> Hong Kong project <br> 

## £26m orders for Lesser







Electrical and mechanical services




## Refurbishing City of London offices

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WIMPEY CONSTRUCIION (UK) has heen appointed as the main contractor for



## APPOINTMENTS

## Reorganisation at Clifford's Dairies




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Mr Jeremy Mars
Mr Jeremy Marshall, Chief Executive BAA plc.
will speak on providing the airports to the end oi
the 90s, ensuring the 90 s, ensuring that airilines have airspace and
traffic. control fecifities to ensure traffic. control fecilities to ensure continued
safety in the crowded skies.

The role the let and
the development of civil aviation to the end of the century and how they see theire products
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WORLD STOCK MARKETS



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